

POLAND

Capital: Warsaw

GDP per capita (PPP): \$8,500 (2000 est.)

Population: 38,633,912 (July 2001 est.)

Foreign Direct Investment: \$9,299,000,000

Inflation: 10.2% (2000 est.)

Unemployment: 12% (1999)

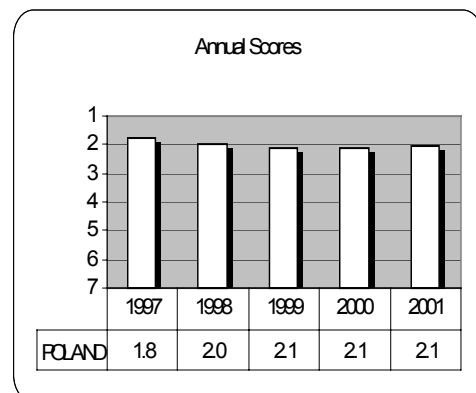
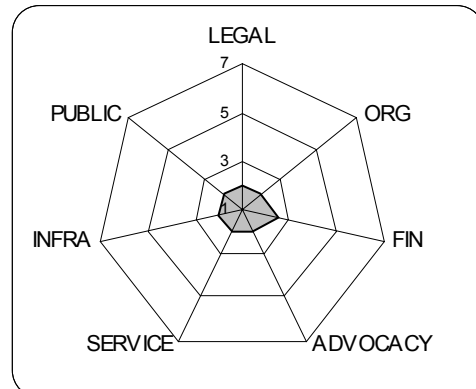
OVERALL DESCRIPTION: 2.1

There are nearly 45,000 NGOs in Poland, approximately two-thirds of which are active. Almost one-fifth of these are based in Warsaw. The NGO sector is still quite young; 25% of NGOs are less than four years old, and 80% were founded after 1989. It is estimated that the third sector accounts for approximately 1.1% of total non-agricultural employment in the country.

NGOs actively provide valuable services to their constituents, as well as advocate on their behalf. The majority of NGOs work in the fields of health care, social assistance, education, and culture. NGOs have successfully advocated on issues ranging from children's rights to environmental protection to the legal framework under which NGOs operate.

Local support for the NGO sector is increasing. 24% of Poles report that they work with at least one NGO in their spare time and 87% of NGOs utilize the services of volunteers. 77% of NGOs consider funding from local and central government bodies to be significant sources of funding. Financial support from businesses and individuals is also growing.

Despite these advances, NGOs continue to face serious problems: financial viability remains elusive for many organizations; relationships with the government require strengthening; and the general public still does not have a solid understanding of the role of NGOs. However, there is a well-developed network of organizations dedicated to addressing these problems and advancing the development of the sector in the future.



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LEGAL ENVIRONMENT: 2.0

NGOs in Poland can register either as associations or foundations. In 2001, new registration procedures for both forms were introduced, requiring all NGOs to re-register. As a result of strict procedures, many NGOs have been denied registration, thereby discouraging the establishment of new organizations and disrupting the work of many active organizations, particularly small ones located outside of Warsaw. In particular, the new registration procedures require NGOs to have an office, which poses serious problems for NGOs just beginning to operate. Furthermore, fifteen members are required to set up an association, which is considered to be too high by many leaders. At the same time, it is almost impossible to unregister an organization. As a result, there is almost no movement of NGOs in to or out of the sector.

Grants and donations received by NGOs are tax exempt. Polish law also provides tax exemptions for individual and corporate donations that support certain aims. However, there is a need to better define what constitutes a public benefit purpose. There are also problems with the regulation concerning endowments.

The court recently set a dangerous precedent by ruling that resources used to increase the endowment of a foundation do not directly support the organization's statutory goals and therefore should be taxed.

NGOs are required to submit financial statements to the tax authorities. Foundations are also required to present narrative annual reports to the relevant Ministries, although many neglect this obligation.

A draft law on NGOs and volunteers is being formulated within the third sector. This legislation will regulate access to public funding, introduce the concept of Public Benefit Organizations, and regulate the status of volunteers. NGO leaders hope to submit the law to Parliament during the present term.

Both NGOs and the government need to improve their understanding of current legal regulations. NGOs often have legal problems because they misinterpret the law. Additionally, there are very few lawyers with sufficient legal expertise on NGO issues, despite significant demand for such advice.

ORGANIZATIONAL CAPACITY: 2.0

While NGOs are increasingly skilled at defining missions and developing strategic plans, this is still far from common. NGOs often change their missions statements in order to increase their chances of securing funding.

In 1996, the National Forum of Non-Governmental Initiatives adopted a Charter of Principles as a self-regulatory measure. The Charter calls for management and supervisory functions to be separate and precludes members of the supervisory body from receiving

remuneration. The Association for the Forum of Non-Governmental Initiatives (FIP) is helping organizations to operationalize these values.

Volunteerism is becoming increasingly more common; 87% of Polish NGOs report utilizing volunteers. There is an active network of 18 Volunteer Centers that organizes numerous activities, including volunteer data systems and an inter-sectoral coalition for the International Year of Volunteers.

There is a growing understanding in the sector that quality is more important than quantity. A number of public awards are made to NGOs such as the government's "Pro Publico Bono" award and the "Quality Outside Government" award granted by the Stefan Batory Foundation.

It is estimated that the Third Sector accounts for approximately 1.1% of total employment in Poland. The NGO sector has difficulty attracting and retaining employees, due to the lower salaries and lack of stability in funding. Nevertheless, leading NGOs generally have paid staff, usually well-trained and skilled professionals. Many organizations, however, operate without any outside funding, and therefore can not afford to have any paid staff. 46% of NGOs do not employ any staff.

Polish NGOs increasingly cooperate with and support the development of the Third

Sector in Belarus, Ukraine, Lithuania, and the former Yugoslavia. Polish NGOs are also actively engaged in EU accession issues. Since 2001, Poland's leading NGOs have had a representative office in Brussels to improve communication between Poland's NGO community, NGOs in the EU member states, European network NGOs, and EU officials and parliamentarians.

NGOs in the major cities are fairly well equipped technically, although NGOs in smaller cities are generally cut off from online resources. To some extent this situation is caused by the fact that many elderly people, who are not computer or Internet savvy, are engaged in the third sector. One fourth of NGOs have email and 15% maintain their own websites. The NGO portal maintained by KLON/JAWOR (www.ngo.pl) is becoming popular: the number of visitors rose from 1,745 in January 2001 to 47,087 in October 2001.

FINANCIAL VIABILITY: 2.5

NGOs are increasingly raising funds from local sources. Models of consistent and transparent funding of NGOs by local government are slowly developing, but still insufficient. Access to local public funds depends on particular interests and political ties. Additional work is needed to develop a consistent, nationwide mechanism for local governments to fund NGOs and devolve responsibilities for service delivery through contracting. Budgetary constraints also limit local governments' ability to support NGOs.

Statistics show that one-fifth of NGO revenues come from individual and corporate donations. In 2000, small and medium companies donated an average of 5% of their gross profits to charities.

Over the last three years, several initia-

tives have been developed to generate local sources of funding for NGOs. The Academy for the Development of Philanthropy in Poland develops and promotes philanthropy through its "Benefactor of the Year" competition a program aimed at creating and developing community foundations. A pilot program for the contracting of services to NGOs by local government has been initiated in selected municipalities.

Poland has good training programs and consulting services available in fundraising. As a result, fundraising skills are fairly well developed in the sector. Although still limited to a small group of NGOs, many innovative techniques of fundraising - including modern Internet technologies, telethons, and lotteries - have been tried in Poland.

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Many NGOs are beginning to charge fees for their services, but some NGO activists remain concerned about the need to maintain a clear separation in the minds of the general public between not-for-profit organizations and businesses.

Many organizations have problems managing their finances and are not able to afford professional advice and assistance in this regard. Furthermore, the number of accountants with knowledge of NGOs is limited. As a result, financial reporting practices are weak.

ADVOCACY: 2.0

The number of public advocacy activities being initiated by NGOs continues to increase. There are a number of coalitions and umbrella groups working on issues such as children's rights, the rights of the disabled, human rights, environmental protection, cooperation between NGOs and other sectors, and the legal framework for NGO activities. FIP is working with existing federations to build a stronger national coalition of NGOs to address sector-wide problems. FIP also provides the Parliament with information on the Third Sector and with input concerning the proposed law on public benefit activities.

There remains a need to legitimize the organizations that represent the interests of the third sector. To date, organizations such as FIP have played this role as the result of a tacit agreement, rather than a formal mandate.

Cooperation with local administrations exists more on paper than in reality. Local governments usually do not have a policy regarding interaction with NGOs, so there is limited opportunity for NGOs to influence local decision-making.

SERVICE PROVISION: 2.0

NGOs actively provide basic social services, such as education, health care, and social assistance. In addition, many organizations are engaged in efforts to promote culture, and protect the environment, the rights of underprivileged groups such as women and minorities, and human rights. Other organizations are involved in job creation and other activities.

The lack of a nationwide system for local governments to fund NGOs means that most NGOs provide services that are outside of the public social safety net. For example, the role of NGOs was not addressed in the major reforms passed

recently in education, health care, public administration, and the pension system. As a result, NGOs often have a hard time securing a steady stream of funding. For example, NGOs working with the homeless may only receive funding at the end of the year, when the problems are the most severe.

In essence, NGOs are stuck in a vicious cycle: NGOs do not get contracts for services because of their poor standards, but they are unable to improve their standards until they begin contracting services. There is a great need to build mechanisms for the contracting of services for all three sectors.

INFRASTRUCTURE: 2.0

NGOs in Poland benefit from a well-developed infrastructure. The "SPLOT" network, consisting of 11 NGO support centers located in major cities, provides information, training and advisory services in fund-raising, NGO management, cooperation with local government, and promotion and cooperation with the media. Some of the achievements of the network include creation of a national information bank on NGO directories; numerous publications, including NGO directories, guidebooks and newsletters; Internet services for NGOs; and, centers promoting volunteer work. Most of the support centers in the network have sub-networks operating in smaller towns.

Another network, Centers for Local Activity (CAL), was created in 2000 to encourage activism within local communities. Network members include NGOs, schools, cultural centers, social clubs, and others. There is also a network of Citizens' Advice Bureaux (BPO) providing information and counseling to individuals and Volunteer Centers to encourage volunteerism in NGOs and public institutions. Finally, community foundations often provide technical support to NGOs as partners in the SPLOT sub-networks.

Over the last four years, NGO support centers have substantially increased their capacity to serve NGOs. However,

financing continues to be a problem. The centers are largely dependent on donors, primarily foreign funders. Local funding only accounts for 20% of budgets and the resource centers generally provide their services for free. There are serious concerns that indigenous sources of funding might not develop quickly enough to fund the centers before foreign funding disappears.

NGOs increasingly understand the importance of coalitions. There are currently coalitions of NGOs working on children rights, the rights of the disabled, human rights and environmental protection. Furthermore, in every big city there is an NGO council or similar structure.

NGO trainers are professional, but both access to training and the scope of training is limited, especially outside of Warsaw. A further problem is that foreign support for NGO training has ceased, and NGOs rarely participate in training if they have to pay for it out of their own funds.

Inter-sectoral partnerships are developing with foreign and local business, local government and the media. The Academy for the Development of Philanthropy in Poland and FIP both work to develop links between the third sector and business.

PUBLIC IMAGE: 2.0

Media coverage of NGO activities continues to improve. Many articles are written about NGOs and there are three TV programs and several radio programs that cover NGO issues. Local media covers NGOs more closely than national media. Press coverage has also become more favorable. Whereas coverage used

to focus on scandals in the NGO sector, now there are often articles portraying people involved in public benefit activities. Unfortunately, these individual positive stories about NGOs do not seem to influence the image of the whole sector, whereas negative stories do.

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Although coverage has improved, the general level of understanding of NGOs by journalists remains low, and there are few journalists who specialize in third sector issues. To address this need, NGOs organize training programs and conferences for local journalists and inform them about activities in the sector. There is a very successful NGO Internet press agency, "Fipress", which prepares and distributes information among NGOs and the media.

The general public still does not have a solid understanding of the non-profit sector and often has a negative image of NGOs. Foundations are generally perceived as suspect, if not dirty, businesses, although individual well-known organizations are recognized as trustworthy and necessary. Research con-

ducted in 2001 indicated that 41% of the population considers the influence of associations and foundations on solving important social problems to be small, and only 29% responded that these organizations solve problems in their neighborhood. However, 73% of Poles believe that NGO activities are more important now than they were five years ago.

The third sector tends to be perceived narrowly as involving charitable activities, and less frequently as conducting lobbying or representing particular interests. Politicians have been "trained" to consult with NGOs, but do not necessarily do so in practice. NGOs still need to develop more effective ways to publicize their activities and promote their public image.